

## STATEMENT OF PURPOSE

RS28158 / H0080

This legislation is based on 2019 amendments to the National Association of Insurance Commissioners (NAIC) Credit for Reinsurance Model Law (#785) and Credit for Reinsurance Model Regulation (#786). The goal is to provide more flexibility and option for insurance companies looking to purchase reinsurance on insurance policies for Idaho policyholders and this reinsurance coverage frequently comes from the international market. These amendments allow insurance companies to continue to receive credit for reinsurance on its financial statements from a larger potential market of reinsurance companies. These model law amendments are also required for accreditation of the Idaho Department of Insurance by the NAIC. Accreditation is important to the maintain for consistent, streamlined, and fair regulation of insurance companies.

## FISCAL NOTE

There is no fiscal impact to the General Fund or any other state fund or expenditure in as much as the provisions of this bill can be reviewed and monitored with the Department's current and requested appropriation. Implementation of this legislation will help assure financial security of any domiciled insurance companies thus preventing utilization of the state guaranty funds and a commensurate reduction in premium taxes.

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**DISCLAIMER:** This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).